

Diane DuBois
Vice Mayor

Steve Croft
Council Member



Larry Van Nostran
Mayor

Todd Rogers
Council Member

Joseph Esquivel
Council Member

September 27, 2006

HOUSING POLICY
DEVELOPMENT, HCD

OCT 2 2006

State of California
Department of Housing and Community Development
Division of Housing Policy Development
Attention: Ms. Cathy Creswell, Deputy Director
P.O. Box 952053
Sacramento, CA 94252-2053

Subject: 2005-2006 General Plan Annual Report

Dear Ms. Creswell:

In compliance California Government Code, a copy of Lakewood's General Plan Annual Report has been enclosed with this correspondence. A separate copy of this report has been transmitted to the Governor's Office of Planning and Research/State Clearinghouse.

If you have any other questions or need further assistance, please do not hesitate to contact Paul Kuykendall at (562) 866-9771, extension 2344.

Sincerely,

Charles K. Ebner, AICP
Director of Community Development

Lakewood

The City of Lakewood Comprehensive General Plan 2005-2006 Annual Report

INTRODUCTION

Government Code Section 65400(b) requires local planning agencies to provide an annual report to the legislative body on the status of the General Plan and the progress of its implementation. The purpose of the annual report is to:

- Provide enough information to allow local legislative bodies to assess how the General Plan is being implemented in accordance with adopted goals, policies, and implementation measures.
- Provide enough information to identify necessary course adjustments or modifications to the General Plan as a means to improve local implementation.
- Provide a clear correlation between land use decisions, which have been made during the 12-month reporting period and the goals, policies, and implementation measures contained in the General Plan.
- Provide information regarding local agency progress in meeting its share of regional housing needs and local efforts to remove governmental constraints to the development of housing (as defined in 65584 and §65583(c)(3)). To provide enough information to allow local legislative bodies to assess how the General Plan is being implemented in accordance with adopted goals, policies, and implementation measures.

In November 1996, the Lakewood City Council adopted the update to the City of Lakewood Comprehensive General Plan. A general plan is a State-mandated document, which a city uses to plan the framework for its physical, social and economic development for about 30 years into the future. The City of Lakewood General Plan is comprised of seven State-mandated elements and three optional elements. Lakewood's General Plan elements are as follows:

- | | | |
|----------------|--------------------------------------|-------------------------|
| - Land Use | - Open Space | - Air Quality* |
| - Circulation | - Noise | - Economic Development* |
| - Housing | - Safety | |
| - Conservation | - Recreation and Community Services* | *optional elements |

Lakewood's Housing element was adopted by the City Council on September 10, 2002 and was certified by the Department of Housing and Community Development on November 8, 2002. Section 65400, et seq. of State law requires that an annual report be presented to the local legislative body, the Governor's Office of Planning and Research, and the Department of Housing and Community Development. This report is for the review period from July 1, 2005 to June 30, 2006.

IMPLEMENTATION STATUS OF THE ELEMENTS

Land Use Element

Lakewood is primarily a “bedroom community” with only a very small percentage of land area devoted to commercially and industrially zoned land, compared to other cities in the sub-region. Lakewood is almost completely developed with a build-out ratio of approximately 99%.

Residential Development

A goal of the Land Use Element is to preserve and enhance Lakewood’s desirable residential character. The past year has seen continued development and improvement of single-family and multiple-family residences. Table 1 below shows the number of dwelling units that were completed during the 2005-2006 fiscal year:

Table 1: Currently Planned Residential Projects

Project Address	Units Constructed	Units Demolished	Type of Project
6103-19 Christine Lane	8	3	Planned Development
11709-11719 216 th Street	6	0	2 exist’g units rebuilt + 4 new = 6 apartments
11716-11724 205 th Street	10	5	Condominiums
Subtotals	24	8	
Net Unit Activity:	16		

The development of new dwelling units provides needed housing opportunities in the City, and contributes to Lakewood’s share in fulfilling the Regional Housing Needs Assessment. Further information on this subject is found in the Housing Element section of this report.

The quality of housing stock is one factor that makes Lakewood a desirable place to live as indicated by Lakewood's low vacancy rate. Following the recession of the 1990’s, median home prices continued to rise. In 1996, the year the General Plan was updated, the median home price in Lakewood was approximately \$159,000. The median home price has increased every year since then and now stands at approximately \$545,000. The pool of potential homebuyers is shrinking and market signs indicate that the median price is leveling off. In San Diego, the median price has actually declined over the past year by 1.8% to \$487,000 (http://www.presstelegram.com/search/ci_4187623). This is an indicator of slowing residential sales and possibly a reversal of median home prices in some markets.

Rising home costs have primarily been associated with low interest rates and a shortfall of housing. Interest rates have been rising slowly since the first quarter of 2004 when 30-year fixed-rate mortgages were about 5.5% (http://library.hsh.com/?row_id=92#summary). While housing demand remains high, the number of home sales has decreased for the eighth straight month in the six-county region, representing a 26.9% decrease from July 2005 to July 2006. As of January 1, 2005, Lakewood’s population was estimated at 83,674, or 2,940 persons more than five years earlier (see Table 2 below). Nearly all of this population increase was accommodated by Lakewood’s existing housing stock. During this same time there has been a significant increase in residential building permit activity as

property owners have taken advantage of accumulated home equity and lower interest rates. The resulting construction activity provided additional floor area for growing families with much of the building activity consisting of room additions and home remodeling efforts that have helped to absorb the population increase.

Table 2: City and County Population

Year	City of Lakewood	Los Angeles County
January 1, 2001	80,347	9,663,243
January 1, 2002	81,415	9,829,115
January 1, 2003	82,341	9,979,472
January 1, 2004	82,988	10,088,934
January 1, 2005	83,175	10,166,417
January 1, 2006	83,287	10,245,572

Sources: State of California, Department of Finance, Table 2:E-4 *Population Estimates for Cities, Counties and State 2001-2006, with 2000 DRU Benchmark*. Sacramento, California, May 2006.

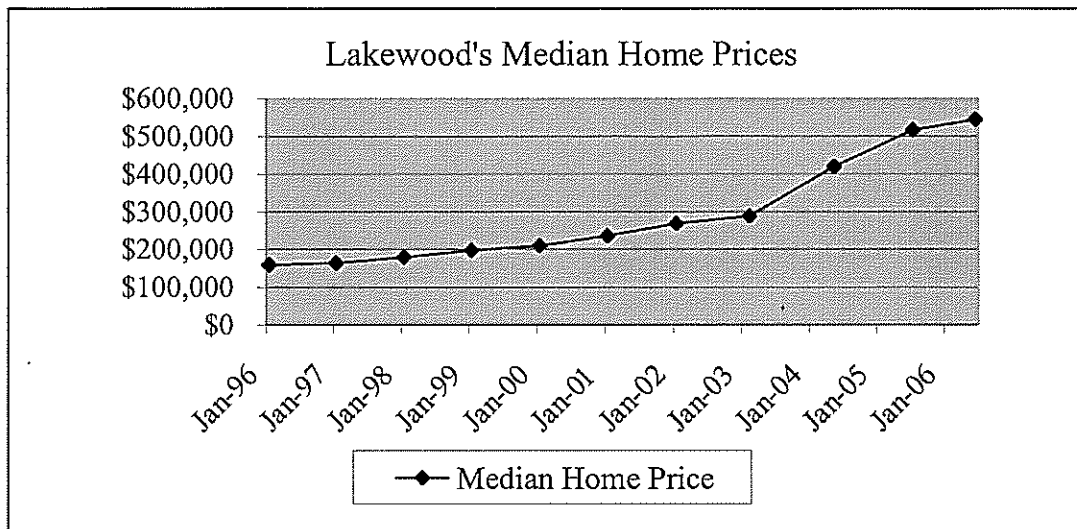
New construction of apartments, condominiums, and single-family homes has also provided additional housing opportunities. However, the increased demand for housing has led to lower vacancy rates and fewer choices within the housing market. The vacancy rate and median home prices since adoption of the General Plan are shown in Table 3 and Graph 1 below.

Table 3: Vacancy Rates and Median Home Prices

Year	Vacancy Rate (1)	Median Home Price (2)
January 1996	2.59%	\$159,000
January 1997	2.58	164,000
January 1998	2.58	178,500
January 1999	2.58	197,900
January 2000	2.59	210,000
January 2001	1.67	236,500
January 2002	1.67	268,957 (3)
February 2003	1.67	288,500
May 2004	1.67	420,000
July 2005	1.67	517,000
June 2006	1.67	545,000

Sources: (1) State of California, Department of Finance, *E-5 City/County Population and Housing Estimates, 2004, Revised 2001-2003, with 2000 DRU Benchmark*. Sacramento, California, May 2004. (2) California Association of Realtors. (3) Average provided by GRC Associates study, October 21, 2002.

Graph 1: Lakewood's Median Home Prices



The increase in median home prices combined with low interest rates has been a significant incentive for property owners to make improvements to their homes. Table 4 below shows the increase in building permits issued for residential projects.

Table 4: Residential Building Permits Issued by Fiscal Year

Fiscal Year	Number of Building Permits Issued
1994-1995	1,246
1995-1996	1,267
1996-1997	1,180
1997-1998	1,255
1998-1999	1,248
1999-2000	1,195
2000-2001	1,265
2001-2002	1,400
2002-2003	1,664
2003-2004	1,735
2004-2005	1,904
2005-2006	1,781

Source: City of Lakewood Community Development Department

Development in the Commercial and Industrial districts

The Land Use Element seeks to preserve Lakewood's residential character. A critical component necessary in maintaining this theme is providing a commercial component for the convenience and enjoyment of residents. Commercial activity supplies the economic resources needed to provide critical services. Thus, oversight of economic development and commercial land investment activities is a high priority. Listed below are examples of how the city is working towards its economic goals within the Land Use Element, and how commercial properties continued to experience expansion and reuse.

Current commercial development

Lincoln-Mercury/Mazda (completed)
Country Club Shopping Center (completed)
SEC Woodruff and Del Amo (completed)
NEC Palo Verde and Del Amo (completed)
NWC Pioneer and Carson (completed)
Chipotle (completed)
Lakewood Collection (under construction)
Lakewood Self Storage – Phase III (under construction)
Bloomfield Carwash (under construction)
SEC Downey and South (in plan check)

Commercial center renovations

Lakewood Marketplace (under construction)
Center at SEC Bellflower and South

Circulation Element

The focus of the Circulation Element is to promote the efficient movement of people and goods. Through the Capital Improvements Program, the City continues to make improvements to its system of streets and highways as it carries out the goals of the Circulation Element. Table 5 below shows that during the 2005-2006 fiscal year, the City of Lakewood Public Works Department resurfaced approximately 12 miles of residential streets, four residential and nine commercial alleys with rubberized asphalt concrete and the parking lot at Rynerson Park. In addition, two major streets were resurfaced for a total of 1.3 miles. A total of 15 miles of streets were resurfaced.

Table 5: Street Resurfacing, 2005-2006 Fiscal Year

Street Type	Linear Miles Resurfaced
Alley (residential)	0.3
Alley (commercial)	1.4
Local	12.0
Major Arterial	1.3
Total	15

The Lakewood Collection is a commercial development located at the northeast corner of Clark Avenue and Candlewood Street. Traffic signal modification and street restriping were part of the required off-site improvements associated with that project in an effort to mitigate potential traffic impacts. The traffic signal modification and striping changes resulted in northbound, dual left-turn lanes with protected left-turn phasing, southbound protected left-turns and east and westbound protected-permissive left-turn arrows. Previously, only east and north bound lanes had left-turn phasing.

Housing Element

The purpose of the Housing Element is to identify and make provisions for existing and projected housing needs. The Housing Element is an official policy statement with regards to the types and quantities of housing to be provided, it analyzes existing housing conditions in light of the constraints

that are faced by the housing market, and it identifies opportunities for improving and expanding Lakewood's housing supply. The Housing Element was adopted on September 10, 2002, and was certified by the State Office of Housing and Community Development (HCD) in November 2002. To help accommodate regional population growth, the Southern California Association of Governments (SCAG) 1999 Regional Housing Needs Assessment (RHNA) established Lakewood's share of the RHNA at 866 new dwelling units. The Land Use Element portion of this report contains information relating to the number of dwelling units that are in the planning or construction process during this reporting period. It also discusses the number of demolished units, the number of completed units, and the net gain of units.

Conservation Element

The Conservation Element focuses on the protection and management of local resources, including water for domestic use. The Conservation Element also addresses solid waste reduction and recycling. The City continues to reduce its solid waste stream in compliance with Assembly Bill 939. This is being accomplished through various recycling programs and public education. Lakewood purchases its recycled water from the City of Cerritos, which in turn receives its supplies from the Los Angeles County Sanitation District Los Coyotes Reclamation Plant. That facility de-chlorinates and pumps the recycled water into the distribution system owned by Cerritos. The recycled water is used for landscape irrigation at various parks and facilities in Lakewood. Recent heavy rains have reduced demand for recycled and domestic water production. The City's Department of Water Resources primarily serves the western part of the City. The Golden State Water Company, formerly the Southern California Water Company, serves the eastern part of the City. The data in this report reflects only the Department of Water Resources. Table 6 below shows the amount of water used.

Table 6: Annual Water Usage

Fiscal Year	Recycled Water (Acre feet)	% Change From Previous Year	Domestic Water (Acre feet)	% Change From Previous Year
1995-1996	399	-	9,157	-
1996-1997	496	24.3%	9,475	3.5%
1997-1998 (1)	367	-35.1%	8,613	-10.0%
1998-1999	421	14.7%	8,913	3.5%
1999-2000	477	11.7%	9,167	2.85%
2000-2001	404	-18.0%	8,758	-4.6%
2001-2002	444	9%	9,239	5.2%
2002-2003	441	-0.68%	9,024	-2.38%
2003-2004	421.84	-5%	9,494.32	5%
2004-2005	352.45	-19.69%	8,869.21	-7.05%
2005-2006	373.75	6.04%	9233.57	4.12%

Source: City of Lakewood, Department of Water Resources

(1) Record rainfall in 1998 resulted in less water used for irrigation purposes that year.

As part of the Clean Water Act, the National Pollutant Discharge Elimination System (NPDES) requires local agencies to reduce pollutant levels in storm water runoff through the implementation of policies and programs.

While the implementation of the mandated Standard Urban Stormwater runoff Mitigation Plan (SUSMP) may create constraints due to costs associated with implementation, it does not appear to have a significant impact on development as demonstrated by the level of building activity of the type that is subject to these regulations.

Street sweeping continues to take place weekly, and the City continues to make oil-recycling kits free to its residents. These programs help reduce the potential of pollution entering the storm water system.

Open Space Element

Among the amenities that make Lakewood a desirable place to live is its outstanding park system, equestrian center (located adjacent to a regional trail system), and the Centre at Sycamore Plaza, which is used for social and business events. Privately owned open space areas continue to be preserved through zoning mechanisms.

The landscape requirements for commercial and industrially zoned properties help ensure that adequate open space is preserved for soil permeability, aesthetics and urban forestry. Private open space for residential projects continues to be preserved by the zoning ordinance through direct minimum square footage requirements for both single family and multi-family residential properties. The City has begun work for extending the West San Gabriel River Parkway Nature Trail from its current termination point near Monte Verde Park, north towards Del Amo Boulevard.

Noise Element

The Noise Element identifies and sets thresholds for various noise sources in the community. The City responds to noise complaints on a case-by-case basis. In reviewing new construction and business license applications, consideration is also given to potential noise impacts that may impact nearby uses.

If there is the potential for noise impacts, then appropriate mitigation measures are imposed. In some cases, periodic monitoring is necessary to ensure compliance with required mitigation measures. The Community Development Department uses a sound meter that is capable of storing data for future retrieval or for downloading into a computer.

Safety Element

The Safety Element discusses the protection of the community from risks, both manmade and natural. Safety issues facing Lakewood include seismic activity, both direct (shaking and liquefaction) and indirect (fires and ruptured gas lines). Other safety issues include providing a sufficient law enforcement presence and fire response times. On January 11, 2002, the Federal Emergency Management Agency (FEMA) issued a Letter of Map Revision that restored the flood zone designation for Lakewood to flood zone "X" thereby relieving their previous flood insurance mandate. With the flood insurance requirement lifted, Lakewood residents found relief from the threat of flooding as well as a savings in insurance premiums.

On May 11, 2004, the Council adopted Resolution 2004-20, directing staff to prepare a Natural Hazard Mitigation Plan (NHMP) in compliance with the Disaster Mitigation Act of 2000. The draft NHMP

was completed and forwarded to the State Office of Emergency Services and to FEMA. The draft plan is now being revised to reflect comments from those agencies. The NHMP identifies natural hazards facing Lakewood, analyzes levels of risk, and proposes action items that may be implemented in order to reduce or eliminate threats to city facilities.

The NHMP identifies earthquakes and, to a lesser extent, flooding and windstorms, as the likely natural hazards capable of causing economic losses, and it proposes action items designed to reduce damage and losses. The actions items include requiring bookcases, computers, and similar fixtures in City facilities to be seismically secured, providing natural hazard preparedness materials to Lakewood residents, and seeking grants that may be used to carry out these action items. Following final approval of the NHMP, Lakewood will become eligible for pre- and post-disaster funding. Ultimately, the NHMP will be tied to the Safety Element. The advantage of connecting the NHMP to the Safety Element is that the NHMP will be updated approximately every five years in a manner similar to the Housing Element.

In March 1999, the California Department of Conservation, Division of Mines and Geology released a new seismic hazard map that placed nearly all of Lakewood in a liquefaction zone. The Building and Safety Department reviews plans for new construction to check for compliance with applicable building regulations relating to liquefaction.

Lakewood contracts with the Los Angeles County Sheriff's Department for law enforcement services. Table 7 below shows the total number of reported Type 1 offenses and the total calls for service, since 1996. Part I offenses include criminal homicide, forcible rape, robbery, aggravated assault and burglary. It does not include instances of larceny/theft, grand theft auto, arson or other property crimes.

Table 7: Total Reported Offenses and Calls for Service

Calendar Year	Reported Offenses (1)	Reported Incidents
1996	3,856	30,916
1997	3,363	30,045
1998	3,198	28,506
1999	2,565	22,548
2000	2,813	29,129
2001 (2)	2,928	31,613
2002 (2)	2,976	31,513
2003 (2)	2,933	33,628
2004 (2)	3,207	36,078
2005 (2)	3,150	35,504

Source: Los Angeles County Sheriff's Department. (1) Reported Offenses pertain only to "Part I" offenses, which include criminal homicide, forcible rape, robbery, aggravated assault and burglary. It does not include instances of larceny/theft, grand theft auto, arson or other property crimes. (2) Data obtained from the Los Angeles County Sheriff's Department website.

The Recreation & Community Services Department (RCS) is responsible for the coordination of emergency preparedness, response and recovery activities of the City. City disaster response operations are coordinated in accordance with the City's Multi-hazard Functional Plan, which conforms to State of

California's Standardized Emergency Management System (SEMS) guidelines. RCS provides training and support to City departments by training city employees in such emergency preparedness areas as SEMS, the ongoing training of the City's First Response Strike Team, the training of Lakewood residents in emergency response through the CARE Program and is an active member of the Disaster Management Board, Area E for regional disaster coordination.

Recreation and Community Services Element

The Recreation and Community Services Element addresses the recreation and human services programs that are offered by the City. In addition to administering numerous recreational activities, the Recreation and Community Services Department also oversees programs designed to address the needs of seniors, families and persons with special needs.

Air Quality Element

Since air quality issues are not confined by the boundaries of any one jurisdiction, a regional approach to solving air quality problems is necessary. Lakewood's Air Quality Element was derived from the Model Air Quality Element prepared jointly by 21 jurisdictions during 1992 and early 1993. Lakewood has been utilizing a variety of tools to address this issue.

Reduction of construction related airborne pollutants continues to be enforced through mitigation measures assessed during the initial study process. These mitigation measures are placed on projects as part of the California Environmental Quality Act (CEQA) process. Typical CEQA mitigation measures include compliance with SCAQMD regulations, including Rule 402 which specifies that there be no dust impacts offsite sufficient to cause a nuisance, and SCAQMD Rule 403, which restricts visible emissions from construction.

Economic Development Element

The Economic Development Element addresses Lakewood's future economic growth in light of nearly non-existent vacant commercial land. The Element also underscores the social, fiscal and aesthetic impacts caused by blight, deterioration and obsolete commercial uses. Sales tax revenue is an indicator of an area's economy, especially where changes over time may be analyzed. There are a number of commercial development projects that have recently been completed including restaurants, a Lincoln-Mercury/Mazda automobile dealership, and several small commercial shopping centers.

During this time, Macy's completed its purchase of Robinson's-May. As part of their consolidation program Macys' at Lakewood Center closed their relatively new department store, renovated a former Robinson's-May store, and has moved into that larger retail space. The newer, 210,000 square foot, 2-story retail building is now vacant. This may result in less sales tax revenues in the short term, however this building is centrally located within a regional mall and a proposal to redevelop the site is expect to be presented to the City of Lakewood in the near future.

Sales tax revenues generated by new businesses will contribute to the local economy, and towards making Lakewood more competitive in the subregion. Table 8 shows the annual sales tax revenues since the General Plan was adopted.

Table 8: Annual Sales Tax Revenues

Fiscal Year (1):	Sales Tax Revenues (in millions):	% Change From Previous Year:
1996-1997	\$6.74	-
1997-1998	\$6.98	3.6%
1998-1999	\$7.48	7.16%
1999-2000	\$8.36	11.76%
2000-2001	\$9.34	11.72%
2001-2002	\$9.56	2.36%
2002-2003	\$10.36	8.37%
2003-2004	\$10.9	5.09%
2004-2005	\$11.5 (2)	5.5%
2005-2006	\$11.7 (3)	1.9%

Source: City of Lakewood Finance Department.

(1) The fiscal year is from July 1 through June 30 of the following year.

(2) This includes approximately \$2 million in "backfill" from the State, and is subject to adjustment.

(3) Includes approximately \$2.6 million in "backfill" from the State, and is subject to adjustment.

The Boeing Company has closed a major portion of its facility adjacent to Lakewood's southwest edge. Approximately 238 acres of the site is located within the City of Long Beach, and 23 acres is located within the City of Lakewood. That property will be transformed significantly over the next several years, thereby bringing new opportunities and challenges to Lakewood. Proposed plans are to replace 260 acres of Boeing's aircraft production facility with new research and development, industrial, office, retail, hotel, and residential uses. Some aviation related uses may be retained, but the fate of the C-17 program is not yet known.

CONCLUSION

Lakewood will continue to face new opportunities and challenges over the next several years as a result of changes in the economy, the demand for housing, and addressing natural hazards. From the time of its adoption in November 1996, implementation of the General Plan continues to guide improvements to Lakewood's residents and businesses. Since the last annual report, a contract has been awarded for the update of the Master Environmental Impact Report. The updated document will be used in reviewing development plans and allows for accurate, expedited reviews of development applications. The updated environmental document will be presented separately under a separate report. Implementation of the General Plan over the past year found that there have been no instances of conflicts and/or inadequacies with those goals, which would otherwise require significant revisions and/or amendments to the General Plan Policy Document.